

### **REMARKS**

Claims 1-7 and 9-50 are pending. Claim 8 has been canceled; claims 1, 6, 7, 9, 24-35, 40, 44, and 47 have been amended; claim 50 is new. Applicants sincerely thank the Examiner for the careful and thoughtful review given to the present application.

In the Office Action dated July 8, 2004, claim 8 is objected to as being a “substantial duplicate” of claim 1. Claim 8 has been canceled and re-written as new independent claim 50. Applicants respectfully submit that claim 50 is not a substantial duplicate of claim 1.

Claims 40 and 44 were objected to as containing the word “method” in the preamble (instead of “system”). Claims 40 and 44 have been amended to correct those obvious typographical errors.

Claims 13, 18-20, 24, 31, and 42 were rejected under 35 U.S.C. § 112, second paragraph, as being indefinite.

The Office Action posed a series of questions regarding claim 13. Claim 13 has been amended to answer those questions. In particular, the answer to the first question (regarding step c) is “No” – the primary referral source is one of the “one or more sources,” but there may be other sources. The answer to the second question (regarding step d) is “the second e-commerce merchant,” as should now be clear from amended claim 13. This also should answer the third question.

Claims 18-20 were rejected in the Office Action as “all very confusing,” but no further explanation was provided. Without more guidance, Applicants are unable to respond. Clarification is respectfully requested.

Claim 19, however (along with claim 42), was also rejected on the ground that “said first e-commerce merchant” should be “said second e-commerce merchant.” Applicants respectfully disagree, and note that claim 19 further defines steps taken in the claim 17 step of storing identifiers associated with links used to reach said *first* e-commerce merchant. Analogous comments apply to claim 42, which depends from claim 40.

Claim 24 was objected to as claiming an “environment.” “Environment” in claims 24-35 has been changed to “system.” However, Applicants respectfully disagree with the implied assertion that an “environment” is not patentable. The amendments to claims 24-35 are merely to advance prosecution of the claims, and Applicants reserve the right to claim an “environment” at some other time.

Claim 31 was objected to as “incomprehensible.” Again, without more guidance, Applicants cannot respond. The Patent Office is respectfully requested to specify precisely what part of claim 31 allegedly fails to satisfy § 112, and why it allegedly fails to satisfy.

Claims 24-35 and 40-46 are rejected under § 101 as non-statutory “because they are software (‘modules’) not claimed as embodied in a computer readable medium and using links that are non-functional data only.” This rejection is respectfully traversed on two grounds.

First, a “module” can be either software or hardware. See, for example, Microsoft Computer Dictionary, Fifth Edition.

Second, a “link,” as the name implies, is functional. It is not “non-functional data.” When a user clicks on a link, something happens (e.g., the user is taken to another site, or another window opens). Thus, a link is functional.

Claims 1-12 were rejected under 35 U.S.C. § 102(b) as anticipated by U.S. Pat. No. 6,029,141, to Bezos et al. This rejection is respectfully traversed.

As an initial matter, Applicants respectfully note that the Office Action paraphrases the independent claims, then attempts to invalidate those paraphrases. Clearly this is improper. Every word in a claim is significant. In order to invalidate a claim under § 102 over a prior art reference, the Patent Office must show that the reference teaches every limitation of the claim as written. If a claim is condensed or summarized, some limitations are going to be lost or ignored. For example, claim 1 has 13 lines; the Patent Office’s “summary” of claim 1 has 2 lines. Applicants respectfully request that their claims as written, and not the Patent Office’s “summary” of their claims, be examined over the prior art.

The Office Action, after “summarizing” the independent claims, goes on to state:

“compensating . . . when a . . . user utilizes the first . . . link”, in claims 1, 6-9 is interpreted as “compensating . . . if a . . . user utilizes the first . . . link”. That is the user may never use the first link to reach the 1st e-site. Therefore the method steps stop before the compensating step ever has to take place.

Applicants respectfully traverse the above assertion. Method claim steps don’t “stop” if the method is not performed. If all steps of a claimed method are not performed, the claim simply is not infringed. Regarding claim 1, if a user doesn’t use both the first and second links and complete a transaction , and/or if the compensating step doesn’t occur, then claim 1 is not infringed. Likewise, unless a single prior art reference discloses *all* of those steps being performed, claim 1 is not anticipated.

The rejection over Bezos appears to rely primarily on the Patent Office's interpretation of the word "when" as meaning "if." Although Applicants respectfully disagree with that interpretation (and with the reasoning based thereon that concludes Bezos anticipates claim 1), claims 1, 6, 7, 9, and 47 have been amended to replace the word "when" (in the context relied upon by the Patent Office) with "after." Thus, the steps the Patent Office argued could be ignored as optional<sup>1</sup> are even more clearly not optional, but required.

But even if "when" could properly be interpreted as "if", that would not justify ignoring the compensation step. As discussed above, Unless the compensation step occurs, the claim is not infringed. And unless the compensation step is disclosed in a single prior art reference, claim 1 is not anticipated. The Patent Office is not free to simply ignore a method claim step because that step might not always occur. The claim is intended to cover only those cases where the step does occur.

Moreover, the method taught by Bezos is not helpful toward solving the problem solved by Applicants' invention. The situation in Bezos is very simple: a first website refers a potential purchaser to a second website, which sells the item and provides a commission to the first website. But the Bezos method does not teach or suggest how to deal with the more complex problem solved by Applicants' invention: what to do when a buyer is referred from a first website to a second website, which then refers the buyer to a third website which sells a product to the buyer. How are the first and second website operators compensated in that case? What if there are four, five, or fifty websites in the chain? Bezos's method does not provide (or teach or suggest) a solution to this problem. Applicants' invention solves the problem.

Since the 102(b) rejection of claims 1-12 relied primarily on an interpretation of "when" as meaning "if," and "when" has now been changed to "after," that rejection is now moot and should be withdrawn. Moreover, since all other claim rejections also rely on Bezos as disclosing those same limitations, those rejections also should be withdrawn. However, for completeness, those rejections are separately addressed below.

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<sup>1</sup> Again, Applicants do not agree that any steps of original claim 1 were optional. Moreover, Applicants do not concede that Bezos would anticipate claim 1 even if such steps were optional.

Claims 13-49 were rejected under 35 U.S.C. 103(a) as being unpatentable over Bezos in view of U.S. Pat. No. 6,055,513, to Katz et al. This rejection is respectfully traversed.

Katz discloses a method of identifying (and offering) a potential upsell secondary item based on a purchaser's interest in a primary item. Essentially, Katz has patented, in the Internet context, "Would you like fries with that shake?". The offer of "fries" (the secondary item offered to the customer) is referred to in Katz as an "upsell" (see col. 13, lines 38-47).

As the Office Action asserts, Katz does mention an approach to billing that allocates funds between company A, the company interacting with the customer, and company B, a company whose product is sold to the customer by company A. However, Katz does not disclose links from one seller's website to another seller's website. Consequently, Katz does not "disclose upsell from EM1 to EM2," and Katz does not disclose "EM2's compensating EM1's for transactions made at EM2's."

Moreover, since Katz does not teach inter-seller weblinks, there is no suggestion or motivation to combine Katz with Bezos. That is, Katz does not teach upsells related to linked affiliates, so one skilled in the art would have no reason to consult Katz if trying to improve on Bezos, or vice versa.

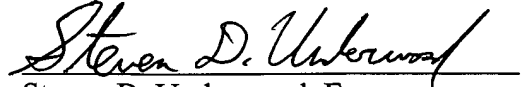
More importantly, the combination of Katz with Bezos does not result in any of Applicants' claimed methods. If Katz were to be combined with Bezos (and Applicants respectfully submit that there is no suggestion or motivation in the prior art to attempt such a combination), the result would simply be a method wherein either the merchant site or the associate site in Bezos attempts an upsell (offers a secondary product to a potential buyer interested in a primary product). Such a combination would not be anticipatory of Applicants' claimed invention, nor would it render the invention obvious.

Finally, Applicants note that the Patent Office has taken "Official Notice" (at pages 9 and 10 of the Office Action) regarding certain items admitted by the Patent Office to be disclosed by neither Bezos nor Katz. Pursuant to MPEP § 2144.03(C), Applicants respectfully traverse all such takings of Official Notice and request the Patent Office to provide documentary evidence of each item Officially Noticed in the next Office Action or to withdraw all rejections based thereon. The Patent Office is respectfully reminded that such documentary evidence must be dated more than one year prior to Applicants' priority date of January 27, 2001.

No fee is believed due with this Response. However, if any fee is due, please charge that fee to Deposit Account No. 50-0310.

Respectfully submitted,

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